THE INSTITUTE FOR SOUTHERN STUDIES

LIVING IN DURHAM

Durham's affordable housing crisis amid growing wealth

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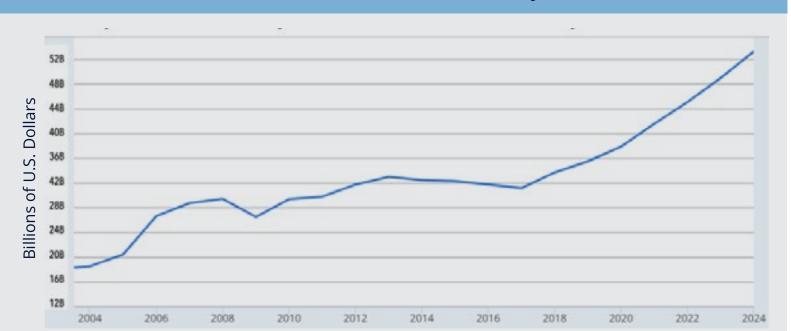
DURHAM'S GROWING WEALTH

Durham has the resources to confront its affordable housing crisis. As housing costs have soared beyond what many workers can afford, the city's largest universities, hospitals and corporations have accumulated enormous wealth. These institutions can play a much larger role — by raising wages, investing in affordable housing, contributing land and financing, and helping preserve housing that lower- and moderate-income residents can afford.

Durham is an increasingly wealthy area. Durham County's inflation-adjusted Gross Domestic Product — the value of the goods and services produced — has increased by more than 180% over the last 20 years, to more than $53 billion in 2024.[1]

DURHAM'S WEALTH IS RAPIDLY GROWING

The inflation-adjusted GDP of Durham County has increased more than 180% over the last 20 years.



Source: U.S. Bureau of Economic Analysis, 2026

Duke University, the largest employer and private landowner in Durham County, has been a key part of Durham's growing fortunes. The university and its affiliated Duke University Medical Center reported more than $22 billion in investments in 2025, up from $17 billion in 2017, and Duke University's endowment has grown to a value of $12.3 billion.[2]

Other major employers in Durham, like Fidelity Workplace Investing, Cisco Systems, IBM, and Amazon, reported profits of $10 billion or more in 2025.[3] Major life sciences, pharmaceutical, and technology companies with a presence in Durham include Eli Lilly, GlaxoSmithKline, IQVIA, Labcorp, Merck, and Wolfspeed.[4]

THE COST OF HOUSING IS SKYROCKETING

Despite Durham's growing wealth, many struggle to afford housing.

Prices have ballooned for those wanting to buy a home. The median home price in the city of Durham surged from $194,244 in March 2016 to $396,395 in March 2026 — an increase of 104%.[5]

Rental costs in Durham have also risen sharply over the past decade. In 2014, the median gross rent in the city — which includes rent plus utilities — was about $896 a month. By 2024, it had climbed to roughly $1,508 a month, an increase of more than 68% in just 10 years. That translates into an additional $612 each month, or more than $7,300 a year, for a household paying the median rent.[6]

While housing costs have escalated, wages for Durham workers have failed to keep pace. A full-time worker in the Durham area must earn at least $32.50 an hour — and $38.50 in some ZIP codes — to afford a modest two-bedroom rental home without spending more than 30% of their income on housing, what housing experts call the "housing wage."[7]

"HOUSING WAGE" NEEDED TO AFFORD A MODEST RENTAL HOME	
ZIP CODE	**WAGE NEEDED**
27701	$32.50 per hour
27703	$33.65 per hour
27704	$32.50 per hour
27705	$32.69 per hour
27707	$33.27 per hour
27708	$32.69 per hour
27712	$38.46 per hour
27713	$36.54 per hour

Source: National Low Income Housing Coalition, 2026

But as the Institute for Southern Studies documented in our recent report, Working in Durham, the median wage in 2023 was only $26.38. For Black workers, that figure drops to $20.59 an hour, and just $18.26 for Latino workers.[8]

A STRUGGLE FOR AFFORDABLE HOMES

As a result, an alarming share of Durham residents struggle with unaffordable housing costs. In 2024, about 48% of renter households in both the city and county spent at least 30% of their income on rent and utilities, the standard threshold for being considered housing cost-burdened. Homeownership is also increasingly out of reach. About one in five Durham County homeowners with a mortgage are considered cost-burdened.[9]

The experience of workers at Duke University illustrates the problem. A recent survey of Duke University and Duke University Health System workers conducted by the Institute for Southern Studies found that 47% struggled to afford their rent or mortgage payments. For Duke employees making under $24 an hour, the challenges were even more severe: 66% reported having difficulty paying their rent or mortgage, half struggled to afford utilities, and 17% reported having to move to less desirable housing.[10]

Housing affordability pressures are especially acute for Black and Latino households. City planning data based on 2016-2020 HUD estimates show that about 38% of Black households and 36% of Latino households are housing cost-burdened, compared with about 23% of white households. Black households are also nearly twice as likely as white households to be severely cost-burdened, spending more than half their income on housing.[11]

As housing pressures have escalated, Durham's racial composition has shifted. For example, Black residents as a share of Durham's population fell from more than 40% in 2010 to about 36% in 2020, raising concerns about whether longtime residents — particularly in historically Black neighborhoods — are able to share in Durham's growth.[12]

CORPORATE INVESTORS AND PRIVATE EQUITY

Many factors play into Durham's housing affordability crisis. The growing role of corporate and private-equity landlords may be contributing to the city's housing affordability pressures. Data from May 2026 show private equity firms own more than 11,300 rental units in Durham, with Blackstone/LivCor, Harbor Group International, and Starwood Capital Group each owning more than 1,000 units. This growing concentration of private equity ownership has raised concerns about its impact on housing costs and affordability.[13]

PRIVATE EQUITY COMPANY	NUMBER OF DURHAM RENTAL UNITS
Blackstone (LivCor)	1,466
Harbor Group International	1,351
Starwood Capital Group	1,287
Greystar Real Estate Partners	814
Eaton Vance Management	702

Source: Private Equity Stakeholder Project, 2026

In 2025, North Carolina's attorney general sued Blackstone, Greystar Real Estate Partners LLC, and other corporate landlords — as well as the software company RealPage — alleging they shared nonpublic information and used rent-setting software to push rents above competitive levels; Blackstone and Greystar settled for $7 million each.[14]

Overall, investors of all kinds owned 16,778 single-family homes in Durham County as of late 2025, or 18.3% of the total. While most investors are individual landlords who own one to 10 properties, one in eight single-family homes in Durham is owned by a company.[15]

HOW DURHAM'S WEALTHIEST INSTITUTIONS CAN HELP

This is a critical moment for affordable housing in Durham. The city has spent the proceeds of a $95 million housing bond passed in 2019, which was combined with other sources for a $160 million investment to reach key goals by 2025. This Forever Home program created more than 1,600 new affordable rental units, preserved 800 more, and helped more than 2,400 unhoused families secure permanent housing.[16]

City leaders are currently developing an Affordable Housing Plan and Investment Strategy to guide the next five years, which they plan to release in spring 2027.[17] City leaders have also hinted at proposing another housing bond measure.[18]

Durham's housing affordability crisis reflects a widening gap between what many workers earn and what it costs to live in the city. Durham's wealthiest companies and institutions have the resources to help close that gap — not only by investing in affordable housing, but also by raising wages. Large employers, universities, hospitals and developers can increase pay for lower-wage workers while contributing to affordable housing funds, donating land, providing low-cost financing, preserving existing affordable apartments and offering housing assistance.

By raising wages and committing more of their land, capital and resources to housing affordability, Durham's largest institutions can help ensure that the workers and families who sustain the city can afford to remain part of its future.

ENDNOTES

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